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CENTRAL INTELLIGENCE AGENCY

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Central authorities as a countermeasure to prevent the Chinese industries from moving to Hongkong.

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are unsettled, and [] mill owners do not know exactly where they would send the spindles if they received the orders. There are many disputes

over the substantial margin payments which have been made, and there is some question about the payments being returned. The rest of the payment terms [] now demand are very stringent, and they want complete payment before going ahead.

6. Because of the labor troubles in Shanghai and the general war situation, most of the cotton people wish to distribute widely any additional spindles which are now en route or which are to be ordered. This distribution would include Canton, Hongkong, Taiwan (Formosa), and Chekiang and Fukien Provinces, as well as Wusih

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